

~~SECRET~~

Control 451526

EIC-M-39

Approved including attachment
by interim action 11 October 1951

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 2125, Temporary "M" Building
26th and Constitution Avenue, N.W.

7 October 1951

PRESENT

Dr. Otto E. Guthe, CIA, Chairman

25X1A9a [REDACTED] CIA, Vice Chairman

Col. William C. Baird, Air Force

Mr. Earl Coxe, Army

Mr. Bennett Davis, Navy

Mr. John Easton, JCS

Mr. Kingsley Hamilton, Air Force

Mr. Duncan Holmes, Army

Mr. Joseph Lewis, WSEG

Col. W. M. Postlethwait, Army

Cdr. Burns Spore, Navy

Miss Marion Worthing, State

25X1A9a [REDACTED], EIC, Executive Secretary

PROPOSAL FOR ESTABLISHMENT OF A TRANSPORTATION LOGISTICS WORKING GROUP

1. Discussion: The Chairman explained that this meeting had been called to consider what further action was necessary to complete satisfactorily the paper requested by the Weapons Systems Evaluation Group - "Soviet Bloc's 1955-56 Transportation Capability to Launch and Support Campaigns into the Area between the Baltic Sea and the Alps," (EIC-P-8). He reported that he had discussed the draft of the EIC Subcommittee on Transportation with Dr. Welch of WSEG, who is in over-all charge of the particular program in support of which WSEG has asked the IAC for a coordinated transportation study. Dr. Guthe proposed:

a. that Mr. Lewis explain to the Committee the nature of the additional work which WSEG felt was required in order that the study meet their original request; and

b. that Mr. Coxe, who is Chairman of the EIC Subcommittee on Transportation, should then describe the nature of the special working group proposed for undertaking this additional analysis - indicating why he believed such a special group was needed.

~~SECRET~~

~~SECRET~~

Dr. Guthe commended Mr. Cox as deserving the principal credit for originating the present proposal and laying the groundwork for its adoption, which he understood was now supported by most of the agencies involved.

2. Mr. Lewis explained that WSEG was concerned (among other things) that the finished study in particular should reflect:

a. a detailed analysis of individual transportation arteries - so that WSEG might use it to study modifications of transport capabilities which would result from "perturbations" of the system (i.e., from physical damage by various types of weapons); and

b. available intelligence as to the Soviet's actual transport practices (in contradistinction to standard factors developed for calculating planning estimates of what U.S. transportation services might move).

3. Mr. Cox recapitulated the past difficulties of the Transportation Subcommittee in reaching agreement on estimates. These had partly arisen from the different approach needed to evaluate Soviet capabilities instead of making estimates of U.S. transport capabilities for planning purposes. New methodologies need to be devised which will reflect this different outlook. Furthermore, it has proven extraordinarily difficult to reconcile in working groups, or in the subcommittee, contributions which had been assigned to separate agencies and prepared independently.

4. In the following discussion, Air, Army, and CIA representatives agreed to try to provide full-time members of the proposed group, although some difficulties and delays were anticipated in locating the individuals required. Navy and State also supported the establishment of a special working group, but did not expect to be in position to contribute full-time members. Mr. Cox urged that the separate agencies give a maximum of latitude to those representatives whom they send to participate in the integrated group, stressing that these should work as technicians on a team. It was pointed out that any individual intelligence positions of the separate agencies could be adequately protected when the working group's estimates were reviewed at Transportation Subcommittee and at EIC levels.

5. There was some discussion as to whether the group should also be assigned other problems at this time (e.g., China's internal rail transport capacity, and/or the periodic revisions of EIC-R-1 and EIC-R-9 estimates). It was agreed, however, that the immediate task is completion of the WSEG study, and that decisions as to any further

- 2 -

~~SECRET~~

~~SECRET~~

activities should be made after the EIC has had opportunity to evaluate the output of the new group on this first assignment.

6. Action: The EIC approved the establishment of an integrated full-time working group - on an "ad hoc" basis - to complete the substantive analysis needed for the WSEG study. This was understood to include:

- a. detailed calculations of the capacities, section-by-section insofar as possible, of individual rail and highway routes (including re-examination of the methods used for computation of rail and highway capacities); and
- b. a re-examination of estimates of inland waterway capacities, and the integration of all forms of transport into a total transport capacity estimate, against which minimum requirements of the civilian economy and other "limitations" on throughput capability might be measured.

The EIC Secretariat was directed to return the draft paper (EIC-P-8) to the Transportation Subcommittee for appropriate revision, to reflect the additional analysis to be undertaken.

The Secretariat was asked to draft and clear, by interim action of the separate members, an informal outline of the nature and task of the new working group, which would generally reflect the discussion at this meeting, and thus serve as an over-all, but flexible, guide. More detailed guidance to the group will be provided through Mr. Lewis, the officers of the Transportation Subcommittee, and the Executive Secretary of the EIC, in consultation.

USAREUR REQUEST TO G-2 FOR CERTAIN OVER-ALL TRANSPORTATION ESTIMATES IN THE EUROPEAN AREA

7. Discussion: Colonel Postlethwait explained that he had been asked to provide USAREUR with the best available material on Soviet transport capabilities in the same general area covered by the WSEG study. He asked if the EIC members would object to his transmission of material taken from the draft study of EIC-P-8. There was some possibility that he might, alternatively, be able to meet the need by revising an older study which had been prepared in G-2. Despite the limitations of both these studies he felt they represented a great improvement on material otherwise available in USAREUR. The discussion indicated that the EIC members would not object if G-2 wishes to transmit appropriate portions of the draft material on its own responsibility.

~~SECRET~~

~~SECRET~~

provided that such material is carefully circumscribed by the following specific caveats:

a. Reference should not be made to WSEG or to the specific project of WSEG for which EIC-P-8 has been undertaken.

b. Each individual contribution transmitted should have the clearance of the agency which had prepared it.

c. A special caveat should be attached to the material transmitted, indicating (1) that it was from an unapproved draft, currently under substantial revision; (2) that rail capacity estimates were not based on analysis of individual lines, and therefore do not reflect actual differences in capacities among individual lines; and (3) that the factors used in rail and highway estimates are based on U.S. Army planning factors, and do not purport to reflect intelligence as to actual Soviet practices - which may be quite different.

8. Action: The EIC did not wish to be formally involved in approving transmission of such material as the Army might deem appropriate, but did request that Army representatives check the wording of the caveats, attached to any material transmitted from the EIC-P-8 interim draft, with the Executive Secretary, EIC.

25X1A9a


Executive Secretary
Economic Intelligence Committee

Attachment:

Informal Terms of Reference for
new Transportation Working Group

- 4 -

~~SECRET~~

Attachment to EIC-M-39
11 October 1954

ESTABLISHMENT OF AN AD HOC FULL-TIME

INLAND TRANSPORTATION WORKING GROUP

1. The IAC agency members of EIC will undertake to provide qualified transportation-intelligence personnel (officer or civilian) to work in an integrated staff assigned full-time to the development of detailed transportation estimates required for completion of the study requested by Weapons Systems Evaluation Group (EIC-P-8).
2. G-2, Air, and CIA will each seek to make available a full-time member of the group; ONI and State will participate to the extent of their special interests and current staff availabilities. Any individual agency, however, may increase or decrease its participation at any time, to reflect its specific interests and capabilities in the particular stage of the work currently being undertaken by the full-time group.
3. The senior military or civilian intelligence officer appointed to this group should be designated as its Chief, in direct charge of its daily operations. This Chief should normally be the senior G-2 representative, reflecting the major responsibility of the Army (among the Service agencies) for land transportation.
4. The group as a whole will be responsible, through its Chief, to the Chairman of the EIC Subcommittee on Transportation; and material prepared by the group will be submitted to the EIC through the TSC. Detailed guidance in completing material for the WSEG study will be available through Mr. Lewis of WSEG, the officers of the Transportation Subcommittee, and the Executive Secretary, EIC.
5. The CIA undertakes to provide the necessary housing, desks, files, office supplies, and typing support as a part of the EIC Secretariat functions. The CIA will also provide secretariat services through its member of the group.

~~SECRET~~